

Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana  
September 30, 2008

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

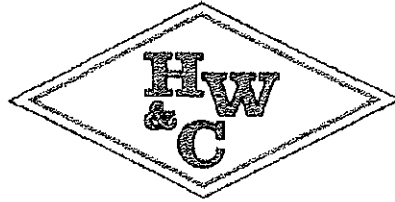
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February 23, 2009

**Independent Auditor's Report**

Members of the Board of Trustees  
Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana

Members of the Board:

We have audited the accompanying statements of plan net assets of the

**Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana**

as of September 30, 2008 and 2007, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Louisiana Assessors' Retirement Fund's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Louisiana Assessors' Retirement Fund as of September 30, 2008 and 2007, and the changes in its net assets for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2009, on our consideration of the Louisiana Assessors' Retirement Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and important for assessing the results of our audit.

The Management's Discussion and Analysis and the Required Supplementary Information as listed in the Table of Contents are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Assessors' Retirement Fund's basic financial statements. The accompanying financial information listed in the Table of Contents as Supporting Schedules is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Louisiana Assessors' Retirement Fund. Such additional information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Yours truly,

*Hawthorne, Weymouth & Carroll, L.L.P.*

## **Louisiana Assessors' Retirement Fund Management's Discussion and Analysis**

The following discussion and analysis of the Louisiana Assessors' Retirement Fund ("Retirement Fund") for the year ended September 30, 2008 highlights relevant aspects of the basic financial statements and provides an analytical overview of the Retirement Fund's financial activities.

### **Financial Highlights**

The net assets held in trust for pension benefits decreased by \$20.1 million, or 10.4% compared to an increase of \$30.6 million or 18.9% in the prior year. The \$20.1 million decrease in net assets was primarily due to investment loss of \$26.7 million.

The unfunded actuarial accrued liability decreased from \$32.1 million to \$23.9 million.

The Retirement Fund had a net investment loss of \$26.7 million in 2008, compared to net investment income of \$24.2 million in 2007.

The amount of Annuity and DROP benefit payments remained steady, amounting to approximately \$10.1 million in 2008 compared to \$10.6 million in 2007.

### **Overview of the Financial Statements**

Management's Discussion and Analysis is intended to serve as an introduction to the Retirement Fund's basic financial statements, together with the related notes to the financial statements, required supplementary information, and the supporting schedules, all of which are described below:

Statements of Plan Net Assets - These statements report the Retirement Fund's assets, liabilities, and resultant net assets held in trust for pension benefits. The statements should be read with the understanding that they present the Retirement Fund's financial position on September 30, 2008 and September 30, 2007.

Statements of Changes in Plan Net Assets - These statements report the results of operations during the fiscal years, categorically presenting the additions to and deductions from plan net assets. The net decrease in plan assets on these statements support the changes in net assets held in trust for pension benefits on the Statements of Plan Net Assets.

Notes to the Financial Statements - The financial statement notes provide additional information that is essential to a complete understanding of the data set forth in the financial statements. They are considered an integral part of the financial statements. A description of the information provided in the notes follows:

**Note 1 (Plan Description)** Provides a general description of the Retirement Fund. Information is included regarding the board of trustees, plan membership, a description of basic retirement benefits, and the Deferred Retirement Option Plan (DROP).

**Note 2 (Summary of Significant Accounting Policies)** Provides information about the accounting methods and policies used in determining amounts shown on the financial statements. Information relative to the basis of accounting, the determination of estimates, system investments and properties is included in this note.

**Note 3 (Contributions, Funding Status and Reserves)** Describes contributions to the Retirement Fund and the Reserve Funds, DROP, Annuity Savings, Pension Accumulation and Annuity Reserve.

# Louisiana Assessors' Retirement Fund Management's Discussion and Analysis

## Overview of the Financial Statements (Continued)

### Notes to the Financial Statements (Continued)

Note 4 (Actuarial Cost Method) Defines the cost methods used to calculate funding requirements of the Retirement Fund.

Note 5 (Deposits and Investment Risk Disclosures) Describes cash deposits as well as investments, including a discussion of interest rate risk, credit risk, and foreign currency risk. Investment authority and policy is also briefly discussed.

Note 6 (Note Receivable) Details note receivable from Louisiana Assessors' Association.

Note 7 (Property and Equipment) Details the cost of the Retirement Fund's fixed assets as well as related depreciation expense and accumulated depreciation.

Note 8 (Related Party Transactions) Provides an explanation of the shared expenses the Retirement Fund reimburses to the Louisiana Assessors' Association.

Note 9 (Required Supplementary Schedule Information) The required supplementary information consists of two schedules and related notes. These schedules show the funding progress and employer contribution data for the Retirement Fund. The related notes disclose key actuarial assumptions and methods used the schedules.

## Louisiana Assessors' Retirement Fund's Financial Analysis

The Retirement Fund is a cost sharing, multiple-employer, qualified defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494, effective July 26, 1950. The plan is a qualified plan as defined by the Internal Revenue Code, effective January 1, 1998. Retirement benefits are funded through member contributions, employer contributions, ad valorem taxes, state revenue sharing, and earnings on investments. Total net assets held in trust for pension benefits at September 30, 2008 amounted to \$172.3 million; which was a decrease of \$20.1 million, or 10.4% from the \$192.4 million held at September 30, 2007.

### Statement of Plan Net Assets (In thousands)

	<u>2008</u>	<u>2007</u>
Cash and investments	\$171,429	\$188,422
Receivables	833	3,962
Capital assets	12	14
Notes receivable	<u>81</u>	<u>85</u>
Total assets	172,355	192,483
Liabilities	<u>49</u>	<u>111</u>
Plan net assets	<u>172,306</u>	<u>192,372</u>

**Louisiana Assessors' Retirement Fund  
Management's Discussion and Analysis**

**Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)**

Additions to (Reductions in) Plan Net Assets

Changes to the Retirement Fund's net assets held in trust for pension benefits include contributions from employers and members, ad valorem taxes, revenue sharing, and investment income (loss). The Retirement Fund recognized a current year net investment loss of \$26.7 million compared to the \$24.2 million gain in the prior year.

<u>Additions to (Reductions in) Net Assets</u>	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
Employer contributions	\$4,912,636	\$4,359,251	\$553,385	12.7%
Employee contributions	2,931,064	2,594,710	336,354	13.0%
Investment income (loss)	(26,671,916)	24,184,070	(50,855,986)	(210.3)%
Transfers in	338,622	11,035	327,587	2,968.6%
State revenue sharing	357,309	349,661	7,648	2.2%
Ad valorem taxes	8,626,105	10,125,102	(1,498,997)	(14.8)%
Miscellaneous	<u>5,415</u>	<u>13,606</u>	<u>(8,191)</u>	<u>(60.2)%</u>
<u>Total additions (reductions)</u>	<u>(9,500,765)</u>	<u>41,637,435</u>	<u>(51,138,200)</u>	<u>27.1%</u>

The decrease of approximately \$1.5 million in ad valorem taxes is primarily due to a settlement received related to litigation with the City of New Orleans in 2007. Act 860 of the 2004 Regular Session of the Louisiana Legislature authorized the Board of Trustees to make demand on the Louisiana State Treasurer's Office when any sheriff or ex officio tax collector fails to submit the proportionate share of ad valorem taxes due the Assessors' Retirement Fund as determined by the Board of Trustees and verified by the Office of the Legislative Auditor. Act 860 authorized the Treasurer to pay the amount due from revenue sharing funds due the delinquent governmental entity. The City of New Orleans challenged the constitutionality of Act 860 in the District Court in Baton Rouge. The District Court ruled Act 860 unconstitutional and the Retirement Fund appealed the decisions of the District Court to the Louisiana Supreme Court. The Louisiana Supreme Court reversed the decision of the District Court. The City of New Orleans filed for reconsideration. The reconsideration was denied in a ruling issued by the Louisiana Supreme Court on January 7, 2008.

The Retirement Fund made demands on the Treasurer's Office for the amounts due from the City of New Orleans for years 2005, 2006 and 2007. The total funds due for the three years were \$3,048,400. The funds were deposited into the Registry of the Court by the State Treasurer's Office pending a final decision by the Louisiana Supreme Court. Following the final decision of the Louisiana Supreme Court on January 7, 2008, motions were filed for the release of the funds to the Assessors' Retirement Fund. On January 17, 2008, checks were received from the Registry of the Court totaling \$3,176,378, which included interest earned in the amount of \$127,978.

**Louisiana Assessors' Retirement Fund  
Management's Discussion and Analysis**

**Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)**

Deductions from Plan Net Assets

Deductions from the Retirement Fund's net assets held in trust for pension benefits are comprised primarily of pensions paid Retirement Fund retirees, survivors, and beneficiaries. Also included as deductions are administrative expenses and refunds of contributions. Pensions paid to retirees, survivors, and beneficiaries amounted to \$10.1 million for 2008, which remained stable compared to the \$10.6 million paid in 2007. The administrative expenses represented only 2.4% of total plan deductions, which is consistent with the prior year.

<u>Deductions from Plan Net Assets</u>	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
Benefits paid (Annuity and DROP)	\$10,145,927	\$10,614,703	(\$468,776)	(4.4)%
Refunds and transfers	168,181	186,846	(18,665)	(10.0)%
Administrative expenses	<u>251,283</u>	<u>229,591</u>	<u>21,692</u>	9.4%
<u>Total deductions</u>	<u>10,565,391</u>	<u>11,031,140</u>	<u>(465,749)</u>	(4.2)%

Investments

Total investments amounted to \$166.7 million at September 30, 2008 as compared to \$184.1 million at September 30, 2007 which represented an decrease of \$17.4 million or 9.4%.

When making comparisons from year to year, it is important to be aware that other factors may affect the change in investments, particularly the changes between investment categories and types. Probably the most notable of the factors is that of investment re-balancing, which is initiated when a certain predetermined target allocation percentage is reached. Investment allocations that have become over-allocated are sold in part and distributed for the purchase of investment allocations that have become under-allocated. It is also important to note that the investment portfolio is not stagnant, but is traded in part each business day. Therefore, the reader should be cautious about drawing conclusions as to how and why the portfolio increased or decreased in value. It is perhaps best to refer to the following table to conclude how the Retirement Fund's investments changed overall.

	<u>2008</u>	<u>2007</u>	<u>Difference</u>	<u>Percentage Change</u>
Investments, at fair value				
Short-term investments	\$1,002,867	\$69,171,674	(\$68,168,807)	(98.6)%
LAMP Funds	10,485,295	1,115,231	9,370,064	840.2%
U.S. Government securities	8,148,988	6,184,243	1,964,745	31.8%
Corporate bonds	9,209,743	6,741,440	2,468,303	36.6%
Foreign government securities	424,831	458,027	(33,196)	(7.2)%
Bond mutual funds	33,780,579	7,598,405	26,182,174	344.6%
Stock mutual funds	93,990,749	83,994,914	9,995,835	11.9%
Real estate	<u>9,663,837</u>	<u>8,824,793</u>	<u>839,044</u>	9.5%
<u>Total investments</u>	<u>166,706,889</u>	<u>184,088,727</u>	<u>(17,381,838)</u>	(9.4)%



**Louisiana Assessors' Retirement Fund  
Management's Discussion and Analysis**

**Louisiana Assessors' Retirement Fund's Financial Analysis (Continued)**

**Funding Status**

Of primary concern to most pension plan participants is the amount of money available to pay benefits. An actuarial valuation of assets and liabilities is performed annually.

An indicator of funding status is the ratio of the actuarial present value of the assets to the actuarial present value of future benefits when using the entry age normal method. An increase in this percentage over time usually indicates a plan is in financial decline. Changes in the financial markets can significantly impact the actuarial value of assets, which will impact the funded ratio. In addition to changes in the financial markets, the collection of actuarially required contributions has a significant impact on the funding status of the system. See the required supplementary information for more information regarding the funded status.

**REQUESTS FOR INFORMATION**

This Annual Financial Report is designed to provide a general overview of the Louisiana Assessors' Retirement Fund's finances for interested parties. Questions concerning any of the information provided herein, or requests for additional financial information should be addressed to the Louisiana Assessors' Retirement Fund, Post Office Box 14699, Baton Rouge, Louisiana 70898.

**Louisiana Assessors' Retirement Fund**  
**Statements of Plan Net Assets**  
**September 30, 2008 and 2007**

	<u>2008</u>	<u>2007</u>
<b>Assets</b>		
Cash and cash equivalents	<u>\$4,722,524</u>	<u>\$4,333,401</u>
Receivables		
Employer contributions	299,498	315,914
Employee contributions	177,477	187,035
Ad valorem taxes	121,785	3,176,378
Accrued interest and dividends	<u>234,297</u>	<u>283,004</u>
<u>Total receivables</u>	<u>833,057</u>	<u>3,962,331</u>
Investments, at fair value		
Short-term investments	1,002,867	69,171,674
LAMP Funds	10,485,295	1,115,231
U.S. Government securities	8,148,988	6,184,243
Corporate bonds	9,209,743	6,741,440
Foreign government securities	424,831	458,027
Bond mutual funds	33,780,579	7,598,405
Stock mutual funds	93,990,749	83,994,914
Real estate funds	<u>9,663,837</u>	<u>8,824,793</u>
<u>Total investments</u>	<u>166,706,889</u>	<u>184,088,727</u>
Note receivable	<u>80,764</u>	<u>84,664</u>
Property and Equipment, (net of accumulated depreciation of \$89,778 for 2008 and \$85,466 for 2007)	<u>11,969</u>	<u>14,454</u>
<u>Total assets</u>	<u>172,355,203</u>	<u>192,483,577</u>
<b>Liabilities</b>		
Accounts payable	<u>48,810</u>	<u>111,028</u>
<b>Net Assets Held in Trust For Pension Benefits</b> (A schedule of funding progress is presented on page 26)	<u><u>172,306,393</u></u>	<u><u>192,372,549</u></u>

The accompanying notes are an integral part of these statements.

Louisiana Assessors' Retirement Fund  
Statements of Changes in Plan Net Assets  
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
<b>Additions</b>		
Contributions		
Employer	\$4,912,636	\$4,359,251
Employee	2,931,064	2,594,710
State revenue sharing	357,309	349,661
Ad valorem taxes	<u>8,626,105</u>	<u>10,125,102</u>
	<u>16,827,114</u>	<u>17,428,724</u>
Investment Income		
Net appreciation (depreciation) in fair value of investments	(31,461,532)	20,033,389
Interest and dividends	<u>5,086,667</u>	<u>4,466,334</u>
	(26,374,865)	24,499,723
Less Investment Expenses	<u>297,051</u>	<u>315,653</u>
<u>Net investment income (loss)</u>	<u>(26,671,916)</u>	<u>24,184,070</u>
<b>Other Additions</b>		
Assets transferred from other systems	338,622	11,035
Miscellaneous	<u>5,415</u>	<u>13,606</u>
	<u>344,037</u>	<u>24,641</u>
<u>Total additions</u>	<u>(9,500,765)</u>	<u>41,637,435</u>
<b>Deductions</b>		
Annuity benefits	9,734,262	9,506,609
DROP benefits	411,665	1,108,094
Refunds to terminated employees	135,011	150,516
Assets transferred to other systems	33,170	36,330
Administrative expenses	<u>251,283</u>	<u>229,591</u>
<u>Total deductions</u>	<u>10,565,391</u>	<u>11,031,140</u>
<b>Net Increase (Decrease)</b>	(20,066,156)	30,606,295
<b>Net Assets Held in Trust For Pension Benefits</b>		
Beginning of Year	<u>192,372,549</u>	<u>161,766,254</u>
End of Year	<u>172,306,393</u>	<u>192,372,549</u>

The accompanying notes are an integral part of these statements.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 1-Plan Description**

The following brief description of the Louisiana Assessors' Retirement Fund is provided for general information purposes only. Participants should refer to the Plan Agreement for more complete information.

General The Retirement Fund is a cost sharing, multiple-employer, qualified governmental defined benefit pension plan covering assessors and their deputies employed by any parish of the State of Louisiana, under the provisions of Louisiana Revised Statutes 11:1401 through 1494, effective July 26, 1950. The plan is a qualified plan as defined by the Internal Revenue Code Section 401(a), effective January 1, 1998. Membership in the Louisiana Assessors' Retirement Fund is a condition of employment for Assessors and their full time employees.

Reporting Entity The Louisiana Assessors' Retirement Fund is not a component unit of the State of Louisiana consolidated annual financial report. The accompanying financial statements reflect the activity of the Retirement Fund.

Under Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity" (GASB 14), the definition of a reporting entity is based primarily on the concept of financial accountability. In determining its component unit status, the administrators considered the following:

- The plan exists for the benefit of current and former assessors and employees who are members of the Retirement Fund.
- Two of the fifteen board members are elected by the employees who participate in the Retirement Fund, and two are retiree representatives elected by retirees of the Retirement Fund.
- The Retirement Fund is funded by the investment of contributions from members and member employees who are obligated to make contributions to the Retirement Fund based upon actuarial valuations.

The Louisiana Assessors' Retirement Fund has no component units as defined under GASB 14.

The Retirement Fund is administered by a board of trustees made up of fifteen members, the president, vice president, and secretary-treasurer of the Louisiana Assessors' Association and eight regular member representatives who are elected for a term of two years from the Association districts. Two of the members are retiree representatives nominated by the board and elected by the retirees and two members are assessor employee representatives nominated by the board and elected by the employees.

Plan Membership Employer and employee membership data at September 30, 2008 and 2007, is as follows:

	<u>2008</u>	<u>2007</u>
Employer Members		
Louisiana Assessors' offices	71	71
Louisiana Assessors' Association	<u>1</u>	<u>1</u>
	<u>72</u>	<u>72</u>

(Continued)

Louisiana Assessors' Retirement Fund  
Notes to Financial Statements  
September 30, 2008

Note 1-Plan Description (Continued)

Plan Membership (Continued)

	<u>2008</u>	<u>2007</u>
<b>Employee Members</b>		
Current retirees and beneficiaries	437	443
Terminated vested participants	22	21
Terminated due a refund	54	45
Active plan participants	<u>786</u>	<u>748</u>
	<u>1,299</u>	<u>1,257</u>

Plan benefits are as follows:

A. Pension Benefits

Employees with 30 or more years of service or employees who have twelve (12) years of service who have attained age 55, are entitled to annual pension benefits equal to three and one-third percent of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service, not to exceed 100% of final compensation, for employees who became members prior to October 1, 2006. Employees who become members on or after October 1, 2006, will have their benefit based on the highest 60 months of consecutive service. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity.

If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employee's lives in the form of a monthly annuity. Employees may elect a reduced benefit or any of four options at retirement:

1. At death, their beneficiary will receive a lump sum payment based on the present value of the employee's annuity account balance.
2. At death, their beneficiary will receive a life annuity based on their reduced retirement allowance.
3. At death, their beneficiary will receive a life annuity equal to one-half of their reduced retirement allowance.
4. Any other benefit certified by the actuary and approved by the Board of Trustees that will be equivalent in value to their retirement allowance.

B. Death Benefits

- i. If a member of the Retirement Fund dies in service with less than twelve years of creditable service, and leaves a surviving spouse, his accumulated contributions shall be paid to the surviving spouse.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 1-Plan Description (Continued)**

**B. Death Benefits (Continued)**

2. If a member dies and has twelve or more years of creditable service and is not eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the joint and survivorship amounts provided in Option 2 as provided for in R.S. 11:1423, which shall cease upon a subsequent remarriage, or a refund of the member's accumulated contributions, whichever the spouse elects to receive.
3. If a member dies and is eligible for retirement, the surviving spouse shall receive an automatic optional benefit which is equal to the Option 2 benefits provided for in R.S. 11:1423, which shall not terminate upon a subsequent remarriage.
4. Benefits set forth in Number 2 shall cease upon remarriage and shall resume upon a subsequent divorce or death of a new spouse. The spouse shall be entitled to receive a monthly benefit equal to the amount being received prior to remarriage.

**C. Disability Benefits**

If a member is officially certified as disabled by the State Medical Board, the member shall receive the lesser of (1) or (2) as set forth below:

1. A sum equal to three and one-third percent of final three-year average compensation multiplied by the number of years of service, or 45% of final three-year average compensation, whichever is greater, if employed on or before September 30, 2006. A sum equal to three and one-third percent of final five-year average compensation multiplied by the number of years of service, or 45% of final five-year average compensation, whichever is greater, if employed on or after October 1, 2006.
2. Three and one-third percent of highest three-year compensation multiplied by years of service, to the earliest normal retirement age.

Upon approval for disability benefits, the member shall exercise an optional retirement allowance as provided in R.S. 11:1423 and no change in the option selected shall be permitted after it has been filed with the board. The retirement option factors shall be the same as those utilized for regular retirement based on the age of the retiree and that of the spouse, had the retiree continued in active service until the earliest normal retirement date.

**D. Deferred Retirement Option Plan (DROP)**

Upon becoming eligible for a normal retirement allowance, a member may elect to participate in the deferred retirement option plan for up to 36 months. The monthly retirement benefit that would have been payable is paid into the deferred retirement option plan account.

Upon termination of employment, a participant in the program shall receive a lump-sum payment from the account.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 1-Plan Description (Continued)**

**D. Deferred Retirement Option Plan (DROP) (Continued)**

If employment is not terminated at the end of the 36 months, the participant resumes active contributing membership in the Retirement Fund.

No payments may be made from the deferred retirement option plan account until the participant retires.

During the year ended September 30, 2008, \$411,665 was paid from the deferred retirement option accounts on behalf of 9 participants. During the year ended September 30, 2007, \$1,108,094 was paid from the deferred retirement option accounts on behalf of 10 participants.

**E. Excess Benefit Plan**

Under the provisions of this excess benefit plan, a member may receive a benefit equal to the amount by which the member's monthly benefit from the Retirement Fund has been reduced because of the limitations of Section 415 of the Internal Revenue Code.

**Note 2-Summary of Significant Accounting and Financial Reporting Policies**

**A. Basis of Accounting**

The Retirement Fund's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Employer and employee contributions are recognized in the period in which the employee is compensated for services. Benefits and refunds are recognized when due and payable. Investment purchases and sales are recorded as of their trade date. Additional contributions from ad valorem taxes and revenue sharing monies are recognized in the year appropriated by the legislature.

**B. Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and plan net assets at the date of the financial statements and the actuarial information included in the required supplementary information as of the benefit information date, the changes in plan net assets during the reporting period and, when applicable, disclosures of the contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates. The Fund utilizes various investment instruments, which, by nature, are exposed to a variety of risk levels and risk types, such as interest rate, credit and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and those changes could materially affect the amounts reported in the Statement of Plan Net Assets.

**C. Cash and Cash Equivalents**

Cash and cash equivalents include demand deposits in banks and temporary cash investments in money market accounts with the trust department of the investment custodian bank. The money market balances consist of government backed pooled funds.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 2-Summary of Significant Accounting and Financial Reporting Policies (Continued)**

**D. Valuation of Investments**

As required by GASB No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", investments are reported at fair value. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. Mortgage-backed securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. Fair values of the limited partnership investments are based on valuations reported by the general partner. Investments that do not have an established market are reported at estimated fair value.

**E. Property and Equipment**

Property and equipment are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 3 to 15 years for equipment and furniture.

**F. New Accounting Pronouncements**

In May 2007, Governmental Accounting Standards Board Statement No. 50, "Pension Disclosures", (GASB 50) was issued to more closely align the financial reporting requirements for pensions with those for other post-employment benefits. This alignment enhances information disclosed in the Notes to Financial Statements or presented as required supplementary information by pensions and by employers that provide pension benefits. The requirements of GASB 50 are effective for the year ended September 30, 2008. This statement has no effect on the Fund's net assets, but resulted in additional disclosures which are presented in Note 3 "Contributions and Reserves".

**Note 3-Contributions, Funding Status and Reserves**

**A. Contributions**

Contributions for all members are established by statute at 8.0% of earnable compensation. The contributions are deducted from the member's salary and remitted by the participating agency.

Administrative costs of the retirement fund are financed through employer contributions. According to state statute, contributions for all employers are actuarially determined each year. Employer contributions were 13.5% of members' earnings for the years ended September 30, 2008 and 2007.

The Retirement Fund also receives one-fourth of one percent of the property taxes assessed in each parish of the state as well as a state revenue sharing appropriation. According to state statute, in the event that contributions for ad valorem taxes and revenue sharing funds are insufficient to provide for the gross employer actuarially required contribution, the employer is required to make direct contributions as determined by the Public Retirement System's Actuarial Committee. Although the direct employer actuarially required contribution for fiscal year 2008 is 4.64%, the actual employer contribution rate for fiscal 2008 is 13.50%, since state statutes require that employer rates be set one year in advance. The minimum direct employer actuarially required contribution will be 8.45% for fiscal year 2009.



**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 3-Contributions and Funding Status (Continued)**

**B. Funding Status**

The schedule below reflects the funded status and progress of the Fund for the fiscal year ended September 30, 2008:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Unfunded (Overfunded) (AAL) (UAAL) (b)	Actuarial Accrued Liability (AAL) Entry Age (a + b)	Funded Ratio (a/a+b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b/c)
2008	\$189,537,035	\$23,857,602	\$213,394,637	88.82%	\$36,638,923	65.12%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required Schedule of Fund Progress located in required supplementary schedules following the Notes to Financial Statements presents multi-year trend information regarding whether the actuarial value of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Additional information on the actuarial methods and assumptions used as of September 30, 2008 actuarial valuation follows:

Valuation date	September 30, 2008
Actuarial cost method	Frozen Attained Age Normal Cost Method with allocation based on earnings. The frozen actuarial accrued liabilities were calculated on the Projected Unit Credit Cost Method.
Amortization method	Level percent of payroll - closed.
Remaining amortization period	Eleven (11) years.
Asset valuation method	Invested assets are valued at market value adjusted to defer four-fifths of all earnings above or below the valuation interest rate in the valuation year; three-fifths of all earnings above or below the valuation interest rate in the previous year; two-fifths of all earnings above or below the valuation interest rate from two years prior; and one-fifth of all earnings above or below the valuation interest rate from three years prior. The actuarial value of assets is also subjected to minimum and maximum values such that it will not be less than 90% or more than 110% of the market value of assets.

(Continued)

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 3-Contributions and Funding Status (Continued)**

**B. Funding Status (Continued)**

Actuarial assumptions:

Investment rate of return                      8% (net of investment expense)

Projected salary increases                      6% (3.25% inflation/2.75% merit)

Cost of Living Adjustments                      The present value of future retirement benefits is based on benefits currently being paid by the system and includes previously granted cost of living increases. The present values do not include provisions for potential future increases not yet authorized by the Board of Trustees.

**C. Reserve Funds**

Use of the term "reserve" by the Retirement Fund indicates that a portion of the net assets is legally restricted for a specific future use. The nature and purpose of these reserves are explained below.

*Expense*

The Expense Fund Reserve provides for general and administrative expenses of the Retirement Fund and those expenses not funded through other specific legislative appropriations. Funding consists of transfers from the retirement funds and is made as needed.

*Annuity Savings*

The Annuity Savings is credited with contributions made by members of the Retirement Fund. When a member terminates service, or upon death before qualifying for a benefit, the refund of member's contributions is made from this reserve. If a member dies and there is a survivor who is eligible for a benefit, the amount of the member's accumulated contributions is transferred from the Annuity Savings to the Annuity Reserve to provide part of the benefits. The Annuity Savings as of September 30, 2008 and 2007 is \$19,374,318 and \$17,791,896, respectively. The Annuity Savings is fully funded.

*Pension Accumulation Reserve*

The Pension Accumulation Reserve consists of contributions paid by employers, interest earned on investments and any other income not covered by other accounts. This reserve account is charged annually with an amount, determined by the actuary, to be transferred to the Annuity Reserve to fund retirement benefits for existing recipients. It is also relieved when expenditures are not covered by other accounts. The Pension Accumulation as of September 30, 2008 and 2007, is \$57,007,753 and \$78,485,603, respectively. The Pension Accumulation Reserve is fully funded.

*Annuity Reserve*

The Annuity Reserve consists of the reserves for all pensions granted to retired members and is the reserve account from which such pensions and annuities are paid. Survivors of deceased beneficiaries also receive benefits from this reserve account. The Annuity Reserve as of September 30, 2008 and 2007 is \$85,756,164 and \$84,827,994, respectively. The Annuity Reserve is fully funded.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 3-Contributions and Reserves (Continued)**

**C. Reserve Funds (Continued)**

*Deferred Retirement Option Account*

The Deferred Retirement Option Account consists of the reserves for all members, who upon retirement eligibility, elect to deposit into this account an amount equal to the member's monthly benefit as if the member had retired. A member can only participate in the program for three years, and upon termination may receive benefits in a lump sum payment. The Deferred Retirement Option Account as of September 30, 2008 and 2007 is \$10,168,160 and \$8,078,401, respectively. The Deferred Retirement Option Account is fully funded.

**Note 4-Actuarial Cost Method**

The "Frozen Attained Age Normal" cost method is used to calculate the funding requirements of the Retirement Fund. Funding of pension plans under this method consists of two components. The first of these components is the Employer Normal Cost of the plan. In addition, amortization payments on the Retirement Fund's unfunded liability must be made. The actuarial value of assets plus the unfunded accrued liability is called the Actuarial Accrued Liability. Act 81 of the 1988 Legislative Session requires that the unfunded accrued liability be amortized over a forty year period beginning on July 1, 1989 with payments increasing at 3.5% per year.

**Note 5-Deposits and Investment Risk Disclosures**

The tables presented on the following pages include disclosures of custodial, interest rate, credit and foreign currency risks in accordance with GASB 40 and are designed to inform financial statement users about investment risks that could affect the Fund's ability to meet its obligations. These tables classify investments by risk type, while the financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual assets classes on the financial statements.

**A. Deposits**

At September 30, 2008 and 2007, the Retirement Fund has deposits (book balances) consisting of the following:

	<u>2008</u>	<u>2007</u>
Demand deposits	\$87,524	\$58,401
Sweep account	<u>4,635,000</u>	<u>4,275,000</u>
	<u>4,722,524</u>	<u>4,333,401</u>

These deposits are stated at cost, which approximates market. Under State law, these deposits (or the resulting bank balances) must be secured by the Federal Deposit Insurance Corporation or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the Federal Deposit Insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 5-Deposits and Investment Risk Disclosures (Continued)**

**A. Deposits (Continued)**

At September 30, 2008, the Retirement Fund had \$4,723,335 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$4,635,000 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

*Custodial Credit Risk - Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Retirement Fund's deposits may not be returned to it. Even though \$4,623,335 of the Retirement Fund's deposits are considered to be exposed to custodial credit risk, R.S.39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within ten days of being notified by the Retirement Fund that the fiscal agent has failed to pay deposited funds upon demand.

**B. Investments**

Statutes authorize the Retirement Fund to invest in a prudent manner and limit investments in equities or index funds to 65% of the total portfolio. All of the Retirement Fund's investments are insured or registered and held by a bank-administered trust fund or a Securities and Exchange Commission registered broker-dealer (GASB Category 1).

The Retirement Fund's investments at cost and fair value as determined by quoted market prices at September 30, 2008 and 2007 are as follows.

	<u>2008</u>		<u>2007</u>	
	<u>Amortized Cost</u>	<u>Fair Values</u>	<u>Amortized Cost</u>	<u>Fair Values</u>
Short-term investments	\$1,007,664	\$1,002,867	\$69,171,674	\$69,171,674
LAMP Funds	10,480,498	10,485,295	1,115,231	1,115,231
U.S. Government Securities	8,158,787	8,148,988	6,264,631	6,184,243
Corporate Bonds	9,679,524	9,209,743	6,898,634	6,741,440
Foreign government securities	422,121	424,831	433,703	458,027
Commingled bond index funds	36,948,073	33,780,579	7,711,088	7,598,405
Stock index funds	84,848,894	93,990,749	47,048,626	83,994,914
Real estate fund	<u>9,662,553</u>	<u>9,663,837</u>	<u>8,824,793</u>	<u>8,824,793</u>
	<u>161,208,114</u>	<u>166,706,889</u>	<u>147,468,380</u>	<u>184,088,727</u>

The Board of Trustees' investment objective is a long-term compound rate of return on the Retirement Fund's assets that is the greater of (a) 3.5% above the CPI-U seasonally adjusted or (b) the actuarial rate (currently 8.0%).

The Retirement Fund's investments, including investments bought, sold, and held during the year, appreciated (depreciated) in value by (\$17,381,838) and \$20,259,450 for the years ended September 30, 2008 and 2007, respectively. Included in these amounts are realized gains (losses) on the sale of securities in the amount of \$581,794 and \$15,762,505 for the years ended September 30, 2008 and 2007, respectively.

**Louisiana Assessors' Retirement Fund**  
**Notes to Financial Statements**  
**September 30, 2008**

**Note 5-Deposits and Investment Risk Disclosures (Continued)**

**B. Investments (Continued)**

The Retirement Fund also holds an investment in the Louisiana Assets Management Pool, Inc. (LAMP), a nonprofit corporation formed by an initiative of the state treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at market value and are equal to the value of the pool shares.

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable entities of the State of Louisiana to aggregate funds for investments.

LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana. Only local government entities having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high quality investments. LAMP's permissible investments are set forth in R.S. 33:2955 and are further limited in accordance with investment guidelines promulgated by the board of directors. LAMP's Statement of Investment Guidelines authorizes investments in various investment products, including United States Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes, Federal Farm Credit Bank notes, Student Loan Marketing Association notes, and other investments as approved by the board of directors. LAMP, Inc. is subject to the regulatory oversight of the Louisiana state treasurer and the board of directors. LAMP is not registered with the SEC as an investment company.

Investments in LAMP held at September 30, 2008 and 2007 totaled \$10,485,295 and \$1,115,231, respectively. In accordance with GASB Codification Section 150.126, the investment in LAMP at September 30, 2008 is not categorized in the three risk categories provided by GASB Codification Section 150.125 because the investments are in a pool of funds and, therefore, not evidenced by securities that exist in physical or book entry form.

**C. Interest Rate Risk**

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The risk is applicable to debt investments with fair values that are sensitive to changes in interest rates. One indicator of the measure of interest rate risk is the dispersion of maturity dates for debt instruments. The Retirement Fund has no formal policy regarding interest rate risk.

As of September 30, 2008 and 2007, the Retirement Fund had the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	5-10	More than 10
December 31, 2008					
U.S. Government					
Agency Obligations	\$8,148,988		\$66,718		\$8,082,270
Corporate Bonds	9,209,743		4,396,915	\$3,941,697	871,131
Foreign government securities	<u>424,831</u>		<u>          </u>	<u>          </u>	<u>424,831</u>
Totals	<u>17,783,562</u>		<u>4,463,633</u>	<u>3,941,697</u>	<u>9,378,232</u>

Louisiana Assessors' Retirement Fund  
Notes to Financial Statements  
September 30, 2008

Note 5-Deposits and Investment Risk Disclosures (Continued)

C. Interest Rate Risk (Continued)

Investment Type	Fair Value	Investment Maturities (in years)			
		Less than 1	1-5	5-10	More than 10
December 31, 2007					
U.S. Government					
Agency Obligations	\$6,184,243			\$98,666	\$6,085,577
Corporate Bonds	6,741,440	\$201,910	\$2,004,966	3,607,735	926,829
Foreign government securities	<u>458,027</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>458,027</u>
Totals	<u>13,383,710</u>	<u>201,910</u>	<u>2,004,966</u>	<u>3,706,401</u>	<u>7,470,433</u>

D. Concentration of Credit Risk

Investment policy generally does not allow for an investment in one issuer that is in excess of five percent of total investments, other than U.S. Government or U.S. Government Agency Bonds or Notes. The Assessor's Retirement Fund has concentrations of investments in U.S. Government and Agency Securities as well as bonds and stocks of U.S. corporations. The value and collectibility of these investments is dependent on the normal market conditions that impact these types of investments as well as the continued existence and solvency of those entities.

E. Credit Risk

The Retirement Fund's investment policy limits its investments to corporate debt issues rated equivalent to BBB or better by Moody's Investor Services. The policy also requires that the overall portfolio have a credit quality of AA or better. Investments in bond index funds are also required to maintain certain average credit ratings in order to minimize the effect of credit risk. Obligations guaranteed or explicitly guaranteed by the U.S. Government are not considered to have a credit risk and therefore are not rated.

The Retirement Fund held investments with the following ratings as determined by Moody's Investors Service:

	<u>Market Value at September 30</u>	
	<u>2008</u>	<u>2007</u>
<b>Corporate Bonds</b>		
A1	\$206,064	\$208,884
A2	2,035,896	1,752,282
A3	1,916,872	358,771
Aa1	370,380	596,178
Aa2	277,218	
Aa3	279,657	314,379
Aaa	351,524	294,465
Baa1	1,013,774	1,237,653
Baa2	2,385,654	1,491,723
Baa3	<u>372,704</u>	<u>487,105</u>
	<u><b>9,209,743</b></u>	<u><b>6,741,440</b></u>

(Continued)

Louisiana Assessors' Retirement Fund  
Notes to Financial Statements  
September 30, 2008

Note 5-Deposits and Investment Risk Disclosures (Continued)

E. Credit Risk (Continued)

	<u>Market Value at September 30</u>	
	<u>2008</u>	<u>2007</u>
Commingled Bond Index Funds		
Loomis Sayles MultiSector		
Full Discretion Trust	\$15,448,276	
Pimco High Yield Fund	18,332,303	
CIF II High Yield Fund		\$7,598,405
	<u>33,780,579</u>	<u>7,598,405</u>

F. Foreign Currency Risk

Foreign currency risk is defined as the risk that changes in exchange rates will adversely affect the fair value of an investment. The Retirement Fund's exposure to foreign currency risk at September 30, 2008 and 2007 is as follows:

	<u>2008</u>	<u>2007</u>
Indonesian Rupiah	\$224,839	\$236,421
Cayman Islands Dollar	<u>199,992</u>	<u>221,606</u>
	<u>424,831</u>	<u>458,027</u>

G. Real Estate

The Fund has entered into limited partnerships that invest in various real estate properties. Total distributions received by the Fund from these partnerships were \$923,856 for the year ended September 30, 2008. The Fund received \$426,860 in distributions from these partnerships during the fiscal year 2007.

Note 6-Note Receivable

The following is a summary of notes receivable at September 30, 2008 and 2007:

	<u>2008</u>	<u>2007</u>
Note receivable due from the Louisiana Assessors' Association in monthly installment of \$888 at an interest rate of 8%, collateralized by a building.	<u>\$80,764</u>	<u>\$84,664</u>

Annual future maturities of notes receivable as of September 30, 2008 are as follows:

2009	\$4,229
2010	4,587
2011	4,975
2012	5,396
2013	5,853
Thereafter	<u>55,724</u>
	<u>80,764</u>

Louisiana Assessors' Retirement Fund  
Notes to Financial Statements  
September 30, 2008

**Note 7-Property and Equipment**

The following is a summary of property, equipment and fixtures at September 30, 2008 and 2007:

	Balance October 1,	Additions	Deletions	Balance September 30,
<b><u>September 30, 2008</u></b>				
Furniture	\$57,135	\$1,827		\$58,962
Computer software	42,785			42,785
Less: accumulated depreciation	(85,466)	—	(\$4,312)	(89,778)
	<u>14,454</u>	<u>1,827</u>	<u>(4,312)</u>	<u>11,969</u>
<b><u>September 30, 2007</u></b>				
Furniture	\$54,635	\$2,500		\$57,135
Computer software	42,785			42,785
Less: accumulated depreciation	(81,719)	—	(\$3,747)	(85,466)
	<u>15,701</u>	<u>2,500</u>	<u>(3,747)</u>	<u>14,454</u>

Depreciation expense for the years ended September 30, 2008 and 2007, was \$4,312 and \$3,747, respectively.

**Note 8-Related Party Transactions**

The Retirement Fund shares an office building, equipment and other office expenses with the Louisiana Assessors' Association and the Louisiana Assessors' Insurance Fund, related parties. Most of the expenses, including the salaries of employees of all three funds, are paid out of the Association. The Retirement Fund reimbursed the Association \$102,000 for shared expenses for the years ended September 30, 2008 and 2007.

In the year ended December 31, 2000, the Retirement Fund lent \$110,000 to the Louisiana Assessors' Association to purchase additional office space in the building which houses the Retirement Fund, the Association, and the Louisiana Assessors' Insurance Fund. The Louisiana Assessors' Association repaid the initial \$5,000 down payment. The remaining \$105,000 is being repaid on a long-term note as described in Note 6.

**Note 9-Required Supplemental Information**

Information in the Required Supplementary Schedules is designed to provide information about the Retirement Fund's progress made in accumulating sufficient assets to pay benefits and is presented on pages 25 - 27. In accordance with GASB 25, Required Supplementary Information can be found in the attached schedules.



### Required Supplementary Information

Louisiana Assessors' Retirement Fund  
Required Supplementary Information  
Schedule of Funding Progress  
September 30, 2003 Through September 30, 2008

Actuarial Valuation Date	Actuarial Value of Assets (a)	Unfunded (Overfunded) (AAL) (UAAL) (b)	Actuarial Accrued Liability (AAL) Entry Age (a +b)	Funded Ratio (a/a+b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll (b/c)
2003	\$107,179,684	\$35,184,693	\$142,364,377	75.29%	\$26,991,176	130.36%
2004	117,141,626	35,516,590	152,931,216	76.78%	28,757,562	123.50%
2005	132,989,725	35,788,138	168,777,863	78.80%	29,277,391	122.24%
2006	154,009,532	34,970,588	188,980,120	81.50%	29,478,685	118.63%
2007	176,233,629	32,124,893	208,348,522	84.58%	33,568,909	95.70%
2008	189,537,035	23,857,602	213,394,637	88.82%	36,638,923	65.12%

Louisiana Assessors' Retirement Fund  
Required Supplementary Information  
Schedule of Contributions from Employers and Other Contributing Entities  
September 30, 2008

<u>Fiscal Date</u>	<u>Actuarial Required Contribution Employer</u>	<u>Percent Contributed Employer</u>	<u>Actuarial Required Contribution Other Sources</u>	<u>Percent Contributed Other Sources</u>
2003	\$3,258,807	116.7%	\$6,096,297	100.2%
2004	4,034,689	99.8%	6,412,900	100.2%
2005	3,430,391	122.5%	6,817,178	100.1%
2006	3,408,280	122.2%	6,824,416	103.9%
2007	1,633,316	266.9%	7,405,985	100.5%
2008	1,607,032	305.7%	7,787,321	115.4%

Louisiana Assessors' Retirement Fund  
Schedule of Trustees' Per Diem  
Years Ended September 30, 2008 and 2007

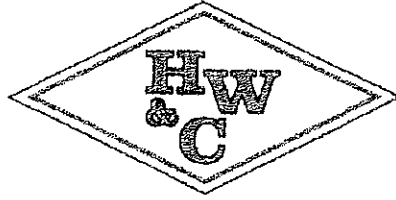
	<u>September 30, 2008</u>		<u>September 30, 2007</u>	
	<u>Days</u>	<u>Amount</u>	<u>Days</u>	<u>Amount</u>
Thomas Arnold	8	\$600	10	\$750
Eugene Cavanaugh	4	300		
Rhyn Duplechain	10	750	10	750
James Dupont	3	225	8	600
Emeric Dupuy			1	75
Carroll Ellzey	10	750	9	675
Louis Hebert	9	675	9	675
Charles Hennington, Jr.	8	600	2	150
Pam Jones	6	450	8	600
Leroy Martin	10	750	9	675
Michael Martin	4	300		
Sherel Martin, Jr.	6	450	3	225
M. Randall Seal	2	150	4	300
Stephanie Smith	9	675	9	675
Brian Wilson	9	675	9	675
Michael Wooden	11	825	10	750
		<u>8,175</u>		<u>7,575</u>

Louisiana Assessors' Retirement Fund  
Administrative Expenses  
Years Ended September 30, 2008 and 2007

	<u>2008</u>	<u>2007</u>
Shared expenses including salaries and benefits and other office expenses	\$102,000	\$102,000
Other professional fees	74,330	67,709
Legal fees	36,418	19,694
Audit and accounting	12,750	13,350
Board per diem	8,175	7,575
Repairs and maintenance	3,432	3,432
Depreciation	4,312	3,747
Dues	450	450
Office expense		599
Postage	1,238	2,038
Publications and subscriptions		
Seminars	375	375
Travel	7,803	8,455
Other	<u>          </u>	<u>167</u>
	<u>251,283</u>	<u>229,591</u>

HAWTHORN, WAYMOUTH & CARROLL, L.L.P.

J. CHARLES PARKER, C.P.A.  
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February 23, 2009

**Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards***

Members of the Board of Trustees  
Louisiana Assessors' Retirement Fund  
Baton Rouge, Louisiana

Members of the Board:

We have audited the basic financial statements of the

**Louisiana Assessors' Retirement Fund  
State of Louisiana**

as of and for the year ended September 30, 2008, and have issued our report thereon dated February 23, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Louisiana Assessors' Retirement Fund's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Louisiana Assessors' Retirement Fund's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Louisiana Assessors' Retirement Fund's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Trustees, the State of Louisiana Division of Administration, the Office of the Legislative Auditor of the State of Louisiana, and management and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Yours truly,

*Hawthorn, Weymouth & Larall, L.L.P.*

**Louisiana Assessors' Retirement Fund  
Summary Schedule of Current Year Findings  
Year Ended September 30, 2008**

None



**Louisiana Assessors' Retirement Fund  
Summary Schedule of Prior Year Findings  
Year Ended September 30, 2008**

None